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January 18, 2005

Gary M. Jackson  
Assistant Administrator for Size Standards  
409 Third Street, SW.  
Washington, DC 20416.

Dear Mr. Jackson:

I am writing to encourage the SBA to provide an exclusion from affiliation with venture capital companies in determining small business eligibility for the SBIR Program. Under such a policy, VCs that invest in SBIR participants would not be considered affiliates of the SBIR participant and their size would therefore not be included in determining the size of the participant. We feel that these small businesses have an equal need for eligibility to the SBIR program as businesses that are not venture affiliated. This letter is in response of a recent announcement made by the SBA regarding the SBIR Program that may allow subsidiaries to be eligible for SBIR competition. As you know, the SBA also published an ANPRM that seeks comments on SBIR eligibility for businesses majority-owned by venture capital companies.

We appreciate the opportunity to comment on this issue.

Sincerely,



Robert S. Adams

Managing Partner

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